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Letter Ruling 80-71: Situs of Sale; Delivery to Purchaser Outside the Commonwealth

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October 20, 1980

You represent an association of Massachusetts dealers of pleasure boats. You inquire whether the dealers must collect Massachusetts sales tax on sales of pleasure boats that are:

(1) purchased by non-Massachusetts residents or out-of-state corporations; and

(2) delivered outside Massachusetts by interstate motor carrier or by captains hired by the dealers for the purpose. (The method and place of delivery are set forth in each case in an agreement between the dealer and purchaser.)

You do not inquire whether the dealers must collect Massachusetts use tax in connection with the sales, because you represent that the boats are not purchased for storage, use or other consumption in Massachusetts within the meaning of Massachusetts General Laws Chapter 64I, Section 2.

Massachusetts General Laws Chapter 64H, Section 2 imposes an excise upon sales at retail of tangible personal property in Massachusetts. Under Chapter 64H, Section 6(b), sales of tangible personal property which the vendor is obligated under the terms of any agreement to deliver to a purchaser outside the Commonwealth or to an interstate carrier for delivery to a purchaser outside the Commonwealth are exempt from tax.

Based on the foregoing facts, it is ruled that the dealers need not collect the Massachusetts sales tax on the pleasure boat sales, which are not for storage, use or other consumption in Massachusetts; the sales either take place outside Massachusetts or are exempt under Chapter 64H, Section 6(b).

Very truly yours,

/s/L. Joyce Hampers

L. Joyce Hampers
Commissioner of Revenue

LJH:JXD:mf

LR 80-71